

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	Biblioteca Abelardo Díaz Alfaro
)	Billed Entity Number 16052522
Requests for Review of)	Funding Year 2012
Decisions of the)	Form 471 Application Nos. 867068
Universal Service Administrator by)	
)	Funding Requests Nos. 2363648,
Biblioteca Abelardo Díaz Alfaro)	2363868, 2363901, 2363701, 2363787,
)	2364007, 2364054, 2364539, 2364920,
)	2365075, 2365117
)	
Schools and Libraries Universal Service)	CC Docket No. 02-6
Support Mechanism)	

ATT: Telecommunications Access Policy Division
Wireline Competition Bureau

REQUEST FOR REVIEW AND WAIVER

Biblioteca Abelardo Díaz Alfaro of the Municipality of San Juan (hereinafter, the “Municipality”) in the Commonwealth of Puerto Rico, pursuant to Sections 54.719(c) and 54.722(a) of the Federal Communications Commission’s (“FCC” or “Commission”) rules,¹ hereby petitions the Commission’s Wireline Competition Bureau for review of adverse decisions by the Universal Service Administrative Company (“USAC”) with respect to the above-referenced Funding Request Numbers (“FRNs”) for Funding Year 2012 filed by the Municipality. In the alternative, the Municipality seeks a waiver of the Commission’s rules.

¹ 47 C.F.R. §§ 54.719(c), 54.722(a).

I. BACKGROUND

The “bibliotecas” – which is Spanish for “libraries” – that applied for E-Rate funding through the above referenced FRNs are instrumentalities of the Municipality of San Juan in the Commonwealth of Puerto Rico. Puerto Rico is divided into 78 “municipalities.” Each municipality has a mayor and a legislature. San Juan is Puerto Rico’s capital and most populous municipality.

The economy in Puerto Rico has been in a very serious recession for nearly eight years, driving tax revenues down and pushing the unemployment rate up to nearly 15 percent.² Almost 47 percent of residents in Puerto Rico live below the poverty line (by comparison, the poverty rate in Mississippi, the poorest state in the United States, is 23 percent). Unfortunately, a disproportionate number of those living below the poverty line are children. According to a 2012 study conducted by the Annie E. Casey Foundation and the National Council of La Raza using data from the U.S. Census American Community Survey, more than 80 percent of children in Puerto Rico live in high-poverty areas (in contrast to 11 percent of children across the United States) and 56 percent of Puerto Rican children live in poverty (compared with 22 percent for the entire United States).³ San Juan, being Puerto Rico’s largest city, is home to a disproportionately large number of these impoverished children. The economic situation in Puerto Rico is so precarious that the Obama Administration recently named a team of Administration experts to

² Michael A. Fletcher, *Puerto Rico, With At Least \$70 Billion In Debt, Confronts a Rising Economic Misery*, The Wash. Post, November 30, 2013, available at: http://www.washingtonpost.com/business/economy/puerto-rico-with-at-least-70-billion-in-debt-confronts-a-rising-economic-misery/2013/11/30/f40a22c6-5376-11e3-9fe0-fd2ca728e67c_story.html (last visited June 20, 2014).

³ Dania Alexandrino, *Study: Puerto Rico's children mired in poverty that dwarfs rest of U.S.*, CNN, August 1, 2012, available at: <http://www.cnn.com/2012/08/01/us/puerto-rico-child-poverty> (last visited June 20, 2014).

work with Puerto Rico “to marshal existing federal resources” and assist Puerto Rico in “maximizing the impact of existing federal funds flowing to the Island.”⁴ If USAC’s decisions are left to stand, the results would be devastating to the Municipality and its library patrons. Specifically, the Municipality would be liable for \$254,768.40, which it currently does not have at its disposal. In addition, given the precarious state of Puerto Rico’s economy, it not surprising that thousands of the Municipality’s residents – including the unemployed, the elderly, students, and the economically disadvantaged – rely on public libraries for Internet access. Absent Commission grant of the instant Request for the Review or Waiver, the Municipality would have to cease providing Internet access service to its library patrons. E-Rate funding is critical to Puerto Rico’s economy and to the Municipality’s public library patrons.

On January 30, 2012, the Municipality filed Form 470 Application Number 289910001000479 for Funding Year 2012, which included a request for funding for 16 libraries.⁵ A few days later, on February 8, 2012, the Municipality amended Form 470 Application Number 289910001000479 for Funding Year 2012 to include 4 additional libraries, which were located in cultural centers owned by the Municipality.⁶ In response to its Amended Form 470, the Municipality received bids for Internet access from the following two entities: Educational Services Network (“EdNet”), which bid only for the original 16 libraries (without maintenance),

⁴ *Supporting Puerto Rico’s Economic Development Progress*, The White House, President Obama and the Hispanic Community, Nov. 21, 2013, available at: <http://www.whitehouse.gov/blog/2013/11/21/supporting-puerto-rico-s-economic-development-progress> (last visited June 20, 2014).

⁵ Biblioteca Abelardo Díaz Alfaro, FCC Form 470 Application Number 289910001000479, filed January 30, 2012.

⁶ Biblioteca Abelardo Díaz Alfaro, Amended FCC Form 470 Application Number 289910001000479, filed February 8, 2012 (“Amended Form 470”).

and A New Vision in Educational Services & Materials (“Nevesem”), which bid for the 20 libraries (with maintenance) included in the amended Form 470. A Selection Committee was established by the Municipality to evaluate these bids. This Committee was composed of Mr. Miguel A. Cruz Matos, Director of the Municipality’s Planning and Budget Division, and Mrs. Loyda López Rosario, Director of the Municipality’s Educational Services Program and Information Systems Specialist. After the Committee carefully considered the two bids received and after the required 28 days from the date the FCC Form 470 was posted on USAC’s website, the Committee recommended and the Municipality selected Nevesem as the most cost-effective bid, with price being the primary factor considered.⁷

On 2013, USAC’s Selective Review notified the Municipality that it would conduct a selective review for compliance with the regulations and orders governing the E-Rate program. They reviewed 11 FRNs, which represent \$254,768.40 of the funds disbursed for Funding Year 2012. The Municipality cooperated fully, providing documentation regarding these FRNs and its competitive bid evaluation process. The Municipality also provided copies of the invoices for which payment was disbursed by USAC and its technology plan.

On May 1, 2014, and as a result of the Selective Review, USAC issued a Notification of Commitment Adjustment Letters (“COMAD Notifications”). The COMAD Notification referencing FCC Form 471 No. 867068 rescinds funding commitments for 11 FRNs and states

⁷ Nevesem was the only qualified bid received by the Municipality of San Juan for the year 2012. Although the Committee reviewed both bids for said year, EdNet’s and Nevesem’s; EdNet’s bid was ultimately deemed ineligible. EdNet’s bid was deficient and incomplete as it failed to include all libraries (it only bid for 16 libraries instead of the 20 libraries required) set forth in the Amended FCC Form 470, and it failed to include the cost of maintenance for all 20 libraries. Nevesem set forth a complete bid for service and maintenance of all 20 libraries included in Amended Form 470.

that USAC will seek recovery of any improperly disbursed funds from the applicant.⁸ The COMAD Notifications state:

After multiple requests for documentation and application review, it has been determined that this funding commitment must be rescinded in full. The price of eligible products and services was not the primary factor in the vendor selection process. During the course of outreach with regards to the bidding process the support supplied failed to show that price was the primary factor in vendor selection. FCC rules require that applicants select the most cost-effective product and/or service offering with price being the primary factor in the vendor selection process. Applicants may take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. Ineligible products and services may not be factored into the cost-effective evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

For the reasons stated below, the Municipality hereby appeals the COMAD Notifications impacting the above-captions FRNs associated with FCC Form 471 Application Number 867068. The Municipality requests that the denial and rescissions of the FRNs at issue be reversed and that the underlying applications be remanded to USAC for further processing. In addition, and in the alternative, the Municipality requests a waiver of the Commission's rules.

II. THE MUNICIPALITY CAREFULLY CONSIDERED ALL BIDS AND SELECTED THE MOST COST-EFFECTIVE BID, WITH PRICE BEING THE PRIMARY FACTOR.

USAC incorrectly rescinded the FRNs at issue in this Request for Review. The service provider selected by the Municipality (which was Nevesem) was the *only qualified bid* received by the Municipality because it was the only bid that included a cost proposal for all of the Municipality's locations and all the services requested in its Amended Form 471. EdNet's

⁸ Notification of Commitment Adjustment Letter from Schools and Libraries Division, Universal Services Administrative Company, to Jose M. Valentin, Biblioteca Abelardo Díaz Alfaro, Funding Year 2012, Form 471 Application Number 867068, dated May 1, 2014 ("COMAD Notification re Form 471 No. 867068") (Exhibit A).

proposal – which the Municipality carefully considered too – was deficient because it failed to include the cost of all services to all of the Municipality’s locations. The Commission’s rules do not require that applicants select vendors that submit deficient proposals that ignore the specific technology needs of applicants as established in a properly filed Form 470. Therefore, the Commission must grant this appeal and instruct USAC to continue to process the FRNs at issue.

(a) **Price Was The Primary Factor.** The COMAD Notifications state that “the price of eligible products and services was not the primary factor in the vendor selection process.” This is incorrect. Price was the primary factor, as required by the Commission’s rules.⁹ The Commission has stressed that, under its rules, applicants are *not* required to select the lowest-priced service provider, but must assign the greatest weight to price when evaluating competing bids.¹⁰ Consistent with these requirements, the Municipality created a bid evaluation matrix designed to evaluate the following factors:¹¹

Evaluation Criteria	Points Assigned
Cost-effectiveness	30
Experience	25
Personnel qualifications	20
Managerial and technical qualifications	10
Availability	5

⁹ See 47 C.F.R. § 54.511(a); *see also Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776, ¶ 481 (1997) (“Applicants may also consider relevant factors other than the pre-discount prices submitted by providers, such as prior experience, personnel qualifications, management capability, and environmental objectives”) (subsequent history omitted).

¹⁰ Requests for Review of Decisions of the Universal Service Administrator by Net56, Inc., CC Docket No. 02-6, DA 13-1891, *Order*, ¶ 9 n.46 (TADP 2013) (citing 47 C.F.R. §§ 54.503(c)(2)(vii), 54.511(a) (2013), and Request for Review of the Decision of the Universal Service Administrator by Ysleta Independent School District, CC Docket Nos. 96-45, 97-21, *Order*, 18 FCC Rcd 26407, 26429, ¶ 50 (2003)); Request for Review of a Decision of the Universal Service Administrator by Henrico County School District, CC Docket No. 02-6, DA 13-999, *Order*, ¶ 4 n.16 (TAPD 2013) (citations omitted); Request for Review of a Decision of the Universal Service Administrator by Fall River Public School District, CC Docket No. 02-6, DA 13-1159, *Order*, ¶ 5 n.21 (TAPD 2013) (citations omitted).

¹¹ See Municipality’s *Guidelines of Bidding Process 2012* (Exhibit B).

Evaluation Criteria	Points Assigned
Value-added	5
Local vendor	5
Total Points	100

This is *prima facie* evidence that the Municipality assigned the most points to the cost-effectiveness factor. Therefore, USAC incorrectly concluded that price was not the primary factor in considering all bids.

(b) **The Municipality Selected the Lowest Cost Proposal, Which Happened to be From the Only Responsive Bid Submitted.** EdNet’s total cost proposal was \$162,000.00, but this proposal *did not* include the cost of service to all 20 libraries for which the Municipality sought E-Rate support in its Amended Form 471. Instead, EdNet’s proposal included service only to the 16 libraries identified in the Municipality’s initial Form 470. This was a material deficiency in EdNet’s proposal because the four libraries it failed to include in its proposal are the biggest Municipal libraries, which means these are the most costly locations. In addition to this critical deficiency, EdNet’s proposal *did not* include the cost of maintenance to any library, which was requested in both the original and the Amended Form 471. These facts rendered EdNet’s proposal materially deficient. In contrast, Nevesem’s proposal did include the cost of all services requested and to all 20 locations.

Based on these facts, it was inappropriate for USAC to compare Nevesem’s and EdNet’s cost proposals as if it was an apples-to-apples comparison; this was an apples-to-oranges comparison. Had EdNet’s proposal included the cost of providing all of the requested services to all 20 locations (like Nevesem’s proposal did), the Municipality would have had two equivalent proposals from which to consider which one was the most cost-effective. This was not the case

here and the Municipality should not be punished for selecting the only service provider that was responsive to all of its technology needs.

The Commission's rules require that applicants consider all bids submitted and select the most cost-effective service offering, with price being the primary factor. The Municipality complied with this requirement. It evaluated and considered the two proposals received: EdNet's and Nevesem's. The Municipality determined that EdNet's proposal was deficient because it included neither a proposal for basic maintenance services for any location nor a proposal for all 20 of the Municipality's libraries are stated in the Amended Form 471. This deficiency was reflected in the bid evaluation matrix. This left the Municipality with one responsive proposal, which was Nevesem's. Because Nevesem's was the only responsive proposal, it was, by necessity, the most cost-effective one. The Commission's rules do not require that applicants select vendors that submit proposals that are materially deficient and that do not meet the technology needs of the schools and libraries. To the contrary, the purpose of the E-rate program is to fulfill the technology needs of schools and libraries as determined by the applicants, not by potential vendors.

III. WAIVER REQUEST

The Municipality has presented clear evidence that USAC erred when it denied and rescinded \$254,768.40 in E-Rate funds. Not only did the Municipality consider all bids (both Nevesem's responsive bid and EdNet's deficient bid), but it also selected the most cost-effective bid with price being the primary factor. However, to the extent that the Commission believes that the Municipality's evaluation procedures fell short of the requirements in Sections 54.504

and 54.511 as well as any other relevant section of the Commission's rules, the Municipality hereby requests a waiver of the Commission's rules.

The Commission's rules may be waived if good cause is shown.¹² The Commission has extended this waiver authority to waivers of E-Rate Program rules.¹³ The Commission may waive a rule where the particular facts make strict compliance inconsistent with the public interest.¹⁴ In addition, the Commission may take into account considerations of hardship, equity, or more effective implementation of overall policy on an individual basis.¹⁵ Waiver of the Commission's rules is appropriate if both (i) special circumstances warrant a deviation from the general rule, and (ii) such deviation will serve the public interest.¹⁶ The Commission looks favorably on waivers where there is no evidence of fraud or misuse of the funds.¹⁷

In this case, there is good cause to grant a waiver of the rules, if necessary. The Municipality was and continues to be in compliance with all core programs' requirements. Specifically, it submitted the required forms within the requisite deadlines; it considered all bids received (whether they were deficient or not); it waited the mandatory 28 day term before selecting a service provider; it conducted a fair and open competitive bidding process in which all vendors had access to the same information; it complied with relevant local procurement laws; and it evaluated each of the bids received in a manner consistent with USAC's guidelines;

¹² 47 C.F.R. § 1.3.

¹³ See, e.g., *Request for Review of Decision by the Universal Service Administrator by Bishop Perry Middle School*, Order, 21 FCC Rcd 5316, ¶ 4 (2006).

¹⁴ *Northeast Cellular Telephone Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990) (*Northeast Cellular*).

¹⁵ *WAIT Radio v. FCC*, 418 F.2d 1153, 1159 (D.C. Cir. 1969); *Northeast Cellular*, 897 F.2d at 1166.

¹⁶ *Northeast Cellular*, 897 F.2d at 1166.

¹⁷ *Request for Waiver of the Decision of the Universal Services Administrator by Barberton City School, Schools and Libraries Universal Service Support Mechanism*, Order, 23 FCC Rcd 15526, ¶ 7 (TAPD 2008).

assigning the most points to the cost-effectiveness factor. Because Nevesem's was the only proposal that was responsive to the Municipality's Form 470, it was, by necessity, the most cost-effective one. This decision was made in good faith and not in an attempt to give an unfair advantage to one vendor over another. *The bottom line is that the Municipality selected the most cost-effective service offering among the eligible bidders – that of Nevesem.* Therefore, this is not an instance in which the Municipality is trying to "re-engineer its competitive bidding process after the conclusion of that process to reach its desired result," as the Commission has found in other cases.¹⁸ In addition, USAC have not presented any evidence of waste, fraud and abuse. Thus, consistent with Commission precedent, a waiver of the Commission's rules would be in the public interest.

A waiver is also requested based on the undue hardship that would befall the Municipality absent a waiver. Absent Commission grant of the Request for the Review or grant of this request for waiver, the Municipality would be liable for \$254,768.40, which would be devastating to the Municipality and its library patrons. To be blunt, as noted above, the Municipality does not have access to \$254,768.40. Furthermore, the Municipality has explained the current economic situation in Puerto Rico, which is so severe that the White House assembled a team of Administration experts to work with Puerto Rico to maximize "the impact of existing federal funds flowing to the Island." On the other hand, a waiver would have minimal impact on the universal service fund, as the funds were already approved in the FCDL and held in reserve. Therefore, to the extent that it is necessary, the Municipality respectfully

¹⁸ See, e.g., *Petition for Reconsideration by Henrico County School District*, CC Docket No. 02-6, DA 13-1884, Order on Reconsideration, 28 FCC Rcd 13015 (TAPD 2013).

requests a waiver of sections 54.504 and 54.511 as well as any other relevant sections of the Commission's rules.

IV. CONCLUSION

For the reasons set forth above, the Municipality respectfully requests grant of the instant Petition for Review and Waiver with respect to its E-Rate applications for Funding Year 2012.

Respectfully submitted,

BIBLIOTECA ALBELARDO DIAZ ALFARO

By: /s/ Sara I. Benitez Delgado

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Social Comunitario
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Attorney for the Municipality of San Juan

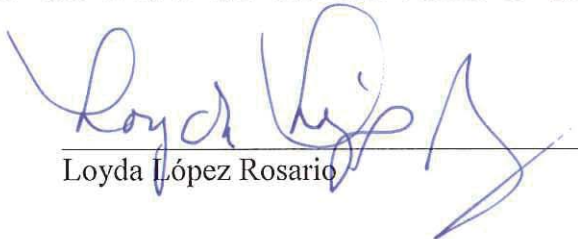
DATE: June 30, 2014

Via the FCC's Electronic Comment
Filing System (ECFS)

Declaration of Loyda López Rosario

I, Loyda López Rosario, hereby declare under penalty of perjury that:

1. I am the Director of the Municipality of San Juan's Educational Services Program and Information Systems Specialist. My business address is: Centro de Gobierno, Piso 12, Municipio Autónomo de San Juan. P.O. Box 70179, San Juan, PR 00936-8179.
2. I was a member of the Municipality's selection committee responsible for evaluating the bids received for Funding Year 2012 under the E-Rate program administered by the Universal Service Administrative Company.
3. I have read the accompanying *Request for Review and Waiver* by Biblioteca Abelardo Díaz Alfaro of the Municipality of San Juan. The statements made in the *Request for Review and Waiver* are true and correct to the best of my knowledge and belief.



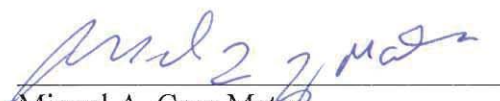
Loyda López Rosario

Executed: June 25, 2014

Declaration of Miguel A. Cruz Matos

I, Miguel A. Cruz Matos, hereby declare under penalty of perjury that:

1. I am the Director of the Municipality of San Juan's Community Development Department's Planning Division. My business address is: Centro de Gobierno, Piso 12, Municipio Autónomo de San Juan. P.O. Box 70179, San Juan, PR 00936-8179.
2. I was a member of the Municipality's selection committee responsible for evaluating the bids received for Funding Year 2012 under the E-Rate program administered by the Universal Service Administrative Company.
3. I have read the accompanying *Request for Review and Waiver* by Biblioteca Abelardo Díaz Alfaro of the Municipality of San Juan. The statements made in the *Request for Review and Waiver* are true and correct to the best of my knowledge and belief.


Miguel A. Cruz Matos

Executed: June 25, 2014

Exhibit A

Notification of Commitment Adjustment Letter from Schools and Libraries
Division, Universal Services Administrative Company, to Jose M. Valentin,
Biblioteca Abelardo Díaz Alfaro, Funding Year 2012,
Form 471 Application Number 867068, dated May 1, 2014



Schools and Libraries Division

Notification of Commitment Adjustment Letter

Funding Year 2012: July 1, 2012 - June 30, 2013

May 01, 2014

JOSE M. VALENTIN
BIBLIOTECA ABELARDO DIAZ ALFARO
PO BOX 70179
SAN JUAN, PR 00936

Re: Form 471 Application Number:	867068
Funding Year:	2012
Applicant's Form Identifier:	IA-16052522-12
Billed Entity Number:	16052522
FCC Registration Number:	0019729235
SPIN:	143022659
Service Provider Name:	A New Vision in Educational Services &
Service Provider Contact Person:	Ricardo Dreyfous

Our routine review of Schools and Libraries Program (Program) funding commitments has revealed certain applications where funds were committed in violation of Program rules.

In order to be sure that no funds are used in violation of Program rules, the Universal Service Administrative Company (USAC) must now adjust your overall funding commitment. The purpose of this letter is to make the required adjustments to your funding commitment, and to give you an opportunity to appeal this decision. USAC has determined the applicant is responsible for all or some of the violations. Therefore, the applicant is responsible to repay all or some of the funds disbursed in error (if any).

This is NOT a bill. If recovery of disbursed funds is required, the next step in the recovery process is for USAC to issue you a Demand Payment Letter. The balance of the debt will be due within 30 days of that letter. Failure to pay the debt within 30 days from the date of the Demand Payment Letter could result in interest, late payment fees, administrative charges and implementation of the "Red Light Rule." The FCC's Red Light Rule requires USAC to dismiss pending FCC Form 471 applications if the entity responsible for paying the outstanding debt has not paid the debt, or otherwise made satisfactory arrangements to pay the debt within 30 days of the notice provided by USAC. For more information on the Red Light Rule, please see "Red Light Frequently Asked Questions (FAQs)" posted on the FCC website at http://www.fcc.gov/debt_collection/faq.html.

TO APPEAL THIS DECISION:

You have the option of filing an appeal with USAC or directly with the Federal Communications Commission (FCC).

If you wish to appeal the Commitment Adjustment Decision indicated in this letter to USAC your appeal must be received or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and email address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify the date of the Notification of Commitment Adjustment Letter and the Funding Request Number(s) (FRN) you are appealing. Your letter of appeal must include the
 - Billed Entity Name,
 - Form 471 Application Number,
 - Billed Entity Number, and
 - FCC Registration Number (FCC RN) from the top of your letter.
3. When explaining your appeal, copy the language or text from the Notification of Commitment Adjustment Letter that is the subject of your appeal to allow USAC to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep a copy of your entire appeal including any correspondence and documentation.
4. If you are an applicant, please provide a copy of your appeal to the service provider(s) affected by USAC's decision. If you are a service provider, please provide a copy of your appeal to the applicant(s) affected by USAC's decision.
5. Provide an authorized signature on your letter of appeal.

To submit your appeal to us on paper, send your appeal to:

Letter of Appeal
Schools and Libraries Division - Correspondence Unit
100 S. Jefferson Rd.
P. O. Box 902
Whippany, NJ 07981

For more information on submitting an appeal to USAC, please see the "Appeals Procedure" posted on our website.

If you wish to appeal a decision in this letter to the FCC, you should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received by the FCC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. We strongly recommend that you use the electronic filing options described in the "Appeals Procedure" posted on our website. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554.

FUNDING COMMITMENT ADJUSTMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Adjustment Report (Report) for the Form 471 application cited above. The enclosed Report includes the Funding Request Number(s) from your application for which adjustments are necessary. See the "Guide to USAC Letter Reports" posted at <http://usac.org/sl/tools/reference/guide-usac-letter-reports.aspx> for more information on each of the fields in the Report. USAC is also sending this information to your service provider(s) for informational purposes. If USAC has determined the service provider is also responsible for any rule violation on the FRN(s), a separate letter will be sent to the service provider detailing the necessary service provider action.

Note that if the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount. Review the Funding Commitment Adjustment Explanation in the attached Report for an explanation of the reduction to the commitment(s). Please ensure that any invoices that you or your service provider(s) submits to USAC are consistent with Program rules as indicated in the Funding Commitment Adjustment Explanation. If the Funds Disbursed to Date amount exceeds your Adjusted Funding Commitment amount, USAC will have to recover some or all of the disbursed funds. The Report explains the exact amount (if any) the applicant is responsible for repaying.

Schools and Libraries Division
Universal Services Administrative Company

cc: Ricardo Dreyfous
A New Vision in Educational Services & Materials (NEVESEM)

Funding Commitment Adjustment Report for
Form 471 Application Number: 867068

Funding Request Number: 2363648
Services Ordered: INTERNET ACCESS
SPIN: 143022659
Service Provider Name: A New Vision in Educational Services &
Contract Number: 03-1605222-12
Billing Account Number: 03-1605222
Site Identifier: 16052522
Original Funding Commitment: \$23,220.00
Commitment Adjustment Amount: \$23,220.00
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date \$20,066.80
Funds to be Recovered from Applicant: \$20,066.80
Funding Commitment Adjustment Explanation:

After multiple requests for documentation and application review, it has been determined that this funding commitment must be rescinded in full. The price of eligible products and services was not the primary factor in the vendor selection process. During the course of outreach with regards to the bidding process the support supplied failed to show that price was the primary factor in vendor selection. FCC rules require that applicants select the most cost-effective product and/or service offering with price being the primary factor in the vendor selection process. Applicants may take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. Ineligible products and services may not be factored into the cost-effective evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number:	2363868
Services Ordered:	INTERNET ACCESS
SPIN:	143022659
Service Provider Name:	A New Vision in Educational Services &
Contract Number:	03-1605258-12
Billing Account Number:	03-1605258
Site Identifier:	16052522
Original Funding Commitment:	\$14,040.00
Commitment Adjustment Amount:	\$14,040.00
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$14,040.00
Funds to be Recovered from Applicant:	\$14,040.00
Funding Commitment Adjustment Explanation:	

After multiple requests for documentation and application review, it has been determined that this funding commitment must be rescinded in full. The price of eligible products and services was not the primary factor in the vendor selection process. During the course of outreach with regards to the bidding process the support supplied failed to show that price was the primary factor in vendor selection. FCC rules require that applicants select the most cost-effective product and/or service offering with price being the primary factor in the vendor selection process. Applicants may take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. Ineligible products and services may not be factored into the cost-effective evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number:	2363901
Services Ordered:	INTERNET ACCESS
SPIN:	143022659
Service Provider Name:	A New Vision in Educational Services &
Contract Number:	03-1604247-12
Billing Account Number:	03-1604247
Site Identifier:	16052522
Original Funding Commitment:	\$14,040.00
Commitment Adjustment Amount:	\$14,040.00
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$14,040.00
Funds to be Recovered from Applicant:	\$14,040.00
Funding Commitment Adjustment Explanation:	

After multiple requests for documentation and application review, it has been determined that this funding commitment must be rescinded in full. The price of eligible products and services was not the primary factor in the vendor selection process. During the course of outreach with regards to the bidding process the support supplied failed to show that price was the primary factor in vendor selection. FCC rules require that applicants select the most cost-effective product and/or service offering with price being the primary factor in the vendor selection process. Applicants may take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. Ineligible products and services may not be factored into the cost-effective evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number:	2363701
Services Ordered:	INTERNET ACCESS
SPIN:	143022659
Service Provider Name:	A New Vision in Educational Services &
Contract Number:	03-1605246-12
Billing Account Number:	03-1605246
Site Identifier:	16052522
Original Funding Commitment:	\$14,040.00
Commitment Adjustment Amount:	\$14,040.00
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$14,040.00
Funds to be Recovered from Applicant:	\$14,040.00
Funding Commitment Adjustment Explanation:	

After multiple requests for documentation and application review, it has been determined that this funding commitment must be rescinded in full. The price of eligible products and services was not the primary factor in the vendor selection process. During the course of outreach with regards to the bidding process the support supplied failed to show that price was the primary factor in vendor selection. FCC rules require that applicants select the most cost-effective product and/or service offering with price being the primary factor in the vendor selection process. Applicants may take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. Ineligible products and services may not be factored into the cost-effective evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number:	2363787
Services Ordered:	INTERNET ACCESS
SPIN:	143022659
Service Provider Name:	A New Vision in Educational Services &
Contract Number:	03-1605655-12
Billing Account Number:	03-1605655
Site Identifier:	16052522
Original Funding Commitment:	\$14,040.00
Commitment Adjustment Amount:	\$14,040.00
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$14,040.00
Funds to be Recovered from Applicant:	\$14,040.00
Funding Commitment Adjustment Explanation:	

After multiple requests for documentation and application review, it has been determined that this funding commitment must be rescinded in full. The price of eligible products and services was not the primary factor in the vendor selection process. During the course of outreach with regards to the bidding process the support supplied failed to show that price was the primary factor in vendor selection. FCC rules require that applicants select the most cost-effective product and/or service offering with price being the primary factor in the vendor selection process. Applicants may take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. Ineligible products and services may not be factored into the cost-effective evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number: 2364007
Services Ordered: INTERNET ACCESS
SPIN: 143022659
Service Provider Name: A New Vision in Educational Services &
Contract Number: 03-1605209-12
Billing Account Number: 03-1605209
Site Identifier: 16052522
Original Funding Commitment: \$19,440.00
Commitment Adjustment Amount: \$19,440.00
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date: \$19,440.00
Funds to be Recovered from Applicant: \$19,440.00
Funding Commitment Adjustment Explanation:

After multiple requests for documentation and application review, it has been determined that this funding commitment must be rescinded in full. The price of eligible products and services was not the primary factor in the vendor selection process. During the course of outreach with regards to the bidding process the support supplied failed to show that price was the primary factor in vendor selection. FCC rules require that applicants select the most cost-effective product and/or service offering with price being the primary factor in the vendor selection process. Applicants may take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. Ineligible products and services may not be factored into the cost-effective evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number: 2364054
Services Ordered: INTERNET ACCESS
SPIN: 143022659
Service Provider Name: A New Vision in Educational Services &
Contract Number: 03-1605249-12
Billing Account Number: 03-1605249
Site Identifier: 16052522
Original Funding Commitment: \$14,040.00
Commitment Adjustment Amount: \$14,040.00
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date \$14,040.00
Funds to be Recovered from Applicant: \$14,040.00
Funding Commitment Adjustment Explanation:

After multiple requests for documentation and application review, it has been determined that this funding commitment must be rescinded in full. The price of eligible products and services was not the primary factor in the vendor selection process. During the course of outreach with regards to the bidding process the support supplied failed to show that price was the primary factor in vendor selection. FCC rules require that applicants select the most cost-effective product and/or service offering with price being the primary factor in the vendor selection process. Applicants may take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. Ineligible products and services may not be factored into the cost-effective evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number: 2364539
Services Ordered: INTERNET ACCESS
SPIN: 143022659
Service Provider Name: A New Vision in Educational Services &
Contract Number: 03-1605250-12
Billing Account Number: 03-1605250
Site Identifier: 16052522
Original Funding Commitment: \$14,040.00
Commitment Adjustment Amount: \$14,040.00
Adjusted Funding Commitment: \$0.00
Funds Disbursed to Date \$14,040.00
Funds to be Recovered from Applicant: \$14,040.00
Funding Commitment Adjustment Explanation:

After multiple requests for documentation and application review, it has been determined that this funding commitment must be rescinded in full. The price of eligible products and services was not the primary factor in the vendor selection process. During the course of outreach with regards to the bidding process the support supplied failed to show that price was the primary factor in vendor selection. FCC rules require that applicants select the most cost-effective product and/or service offering with price being the primary factor in the vendor selection process. Applicants may take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. Ineligible products and services may not be factored into the cost-effective evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number:	2365075
Services Ordered:	INTERNET ACCESS
SPIN:	143022659
Service Provider Name:	A New Vision in Educational Services &
Contract Number:	03-1605240-12
Billing Account Number:	03-1605240
Site Identifier:	16052522
Original Funding Commitment:	\$14,040.00
Commitment Adjustment Amount:	\$14,040.00
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$14,040.00
Funds to be Recovered from Applicant:	\$14,040.00
Funding Commitment Adjustment Explanation:	

After multiple requests for documentation and application review, it has been determined that this funding commitment must be rescinded in full. The price of eligible products and services was not the primary factor in the vendor selection process. During the course of outreach with regards to the bidding process the support supplied failed to show that price was the primary factor in vendor selection. FCC rules require that applicants select the most cost-effective product and/or service offering with price being the primary factor in the vendor selection process. Applicants may take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. Ineligible products and services may not be factored into the cost-effective evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Funding Request Number:	2365117
Services Ordered:	INTERNET ACCESS
SPIN:	143022659
Service Provider Name:	A New Vision in Educational Services &
Contract Number:	03-1605207-12
Billing Account Number:	03-1605207
Site Identifier:	16052522
Original Funding Commitment:	\$14,040.00
Commitment Adjustment Amount:	\$14,040.00
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date	\$14,040.00
Funds to be Recovered from Applicant:	\$14,040.00
Funding Commitment Adjustment Explanation:	

After multiple requests for documentation and application review, it has been determined that this funding commitment must be rescinded in full. The price of eligible products and services was not the primary factor in the vendor selection process. During the course of outreach with regards to the bidding process the support supplied failed to show that price was the primary factor in vendor selection. FCC rules require that applicants select the most cost-effective product and/or service offering with price being the primary factor in the vendor selection process. Applicants may take other factors into consideration, but in selecting the winning bid, price must be given more weight than any other single factor. Ineligible products and services may not be factored into the cost-effective evaluation. Since price was not the primary factor in the vendor selection process, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the applicant.

Exhibit B

Municipality of San Juan's Guidelines for Bidding Process FY2012

Criterios de Evaluación y Selección para la Propuestas E-Rate 2012-2013, según establecidos por Universal Service Administrative Company (USAC)

Criterios (Establecidos por USAC)	Puntos	Ed-Net	Puntos	NEVESEM, INC.	Puntos
1. COSTO/EFFECTIVIDAD - (Deberá seleccionarse la propuesta más costo efectiva. El precio deberá ser el factor principal de selección.)	30	SLD (School Libraries Division): \$162,000.00 Municipio 10%: \$16,000.00 • No visitaron los Centros de Estudio y Tecnología y Biblioteca Electrónica. Además, no visitaron la nueva biblioteca de Fali. • No contemplaron la enmienda sometida a USAC, por lo que cotizaron para 16 bibliotecas, no para 20. Dejaron los 4 Centros de Comunidades al Día y no hicieron un análisis de necesidades según nuestra realidad. • Cuentan con personal certificado en áreas tecnológicas.	21	SLD (School Libraries Division): \$382,366.00 Municipio 10%: \$38,236.60 • Visitaron físicamente los centros y bibliotecas tomando en consideración el ambiente real y verificaron instalaciones y tecnologías con que disponemos actualmente. • Ancho de banda suficiente para atender nuestras necesidades a precio razonable. • Cotizaron para las 20 bibliotecas. Es decir, que incluyeron las 4 que se añadieron mediante enmienda a la forma 470 ante USAC, de los Centros de Comunidades al Día. • Cuentan con personal certificado en áreas tecnológicas y educativas.	28
2. CUALIFICACIONES DEL PERSONAL	20	• Conocimiento administrativo y personal técnico certificado. • Sólo cuentan con un (1) Técnico para el Área Metropolitana desde Carolina a Toa Baja. • Especialidad en todo lo relacionado al Proyecto E-Rate.	15	• Conocimiento administrativo y personal técnico certificado. • Especialidad en todo lo relacionado al Proyecto E-Rate. • Colaboración en el desarrollo, implantación y mantenimiento de nuestro Plan de Tecnología y en el cumplimiento de todos los requisitos del Proyecto E-Rate.	20
3. CAPACIDAD GERENCIAL Y TÉCNICA	10	• Están disponibles 24/7 • Experiencia en los servicios de apoyo y de infraestructura tecnológica. • Según propuesta tienen 3 años de experiencia.	8	• Están disponibles 24/7 • Más de 17 años sirviendo a la educación de Puerto Rico. • Más de 11 años como proveedor del Proyecto E-Rate (Desarrollo de infraestructuras de telecomunicaciones e Internet).	10
4. DISPONIBILIDAD	5	• Prometió verbalmente, no en propuesta, de 4 a 8 talleres a la comunidad anual. • Ofrece servicios de Intranet y adiestramientos de internet.	5	• Plan de contingencia de dos líneas (Primaria y Back up) por si se cae una. Filtro de Contenido CIPA • Base de Datos Oceano y sistema de catalogación de libros (Mandarin/Desiny) • Nuevos Productos Edu-Platform (Monitoreo Académico) • Help Desk, asistencia técnica 24/7 • Monitoreo de las líneas para asegurar un servicio de primera • Visita mensual en forma preventiva para detectar cualquier problema • Asesoría en Bibliotecología • Catálogo y páginas en línea.	5
5. EXPERIENCIA	25	• Municipio de Humacao, dependen de Telefónica Empresarial para apoyo técnico y conectividad.	14	• Ofrecerá sin cargo alguno tres (3) nuevos productos: 1) Talleres de Video conferencia 2) Red de Internet Educativa (RIE) 3) Eduteca - Conexión a Catálogos de otras bibliotecas (gratis el primer año).	25
6. BENEFICIOS ADICIONALES	5		4	• Bo. Quebrada Arenas, San Juan	5
7. LOCAL VENDOR	5		3		5
Total	100	Total	70	Total	98

Loyda López Rosario, MBA
Especialista Sistemas de Información / Directora Programa Servicios Educativos y Tecnológicos

Plan, Miguel A. Cruz Matos
Gerente División de Planificación y Presupuesto

**Rubrica de Bidding Process
2012-2013**

1 .Criterios de Costo Efectividad	Valor	Ed-Net	Nevesem, Inc
Evidencia de certificación en USAC	5	5	5
Evidencia de poder brindar el servicio	5	4	5
Servicios por costo ofrecidos en propuesta	5	3	4
Calidad de servicio vs costo	5	3	4
Ancho de Banda	5	5	5
Evaluación de los centros real que proporciona exactitud en la cotización del servicio	5	1	5
Total	30	21	28

2. Criterio Cualificaciones del Personal	Valor	Ed-Net	Nevesem, Inc
Personal con conocimiento educativo	5	4	5
Tiempo de respuesta del personal	5	3	5
Personal Certificado en áreas tecnológicas	5	5	5
Personal con conocimiento de la Propuesta E-rate	5	3	5
Total	20	15	20

3. Criterio Capacidad Gerencial	Valor	Ed-Net	Nevesem, Inc
Conocimiento administrativo de la propuesta E-rate	5	4	5
Capacidad de facturar al Municipio	5	4	5
Total	10	8	10

4. Disponibilidad	Valor	Ed-Net	Nevesem, Inc
Respuesta ante situaciones 24/7	5	5	5
Total	5	5	5

5. Experiencia	Valor	Ed-Net	Nevesem, Inc
Años de experiencia en el servicio educativo	5	3	5
Años de experiencia en propuesta E-rate	5	3	5

**Rubrica de Bidding Process
2012-2013**

Años brindando servicio tecnológico	5	3	5
Conocimiento en telecomunicaciones	5	3	5
Experiencia brindando servicio a Municipios	5	2	5
Total	25	14	25

6. Criterio Beneficios Adicionales	Valor	Ed-Net	Nevesem, Inc
Beneficios	5	4	5
Total	5	4	5

7. Criterio local Vendor	Valor	Ed-Net	Nevesem, Inc
Tienen oficina de operaciones en el área de servicio	5	3	5
Total	5	3	5

Total	100	70	98
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